

**Chairman's Address
Colorpak Limited
Annual General Meeting**

Public Listing

Colorpak Limited was listed on the ASX on 15 April 2004 following a public offer which was oversubscribed. We were very pleased with the confidence expressed at that time and it encourages all of us to strive for superior performance from this business.

Even though Colorpak Limited was incorporated to be the publicly listed entity, it was certainly not the beginning for this business. Colorpak has been a very successful business for many years and the public listing simply marks the important next stage in its development. We expect that the advantages of access to broader equity and debt markets will provide an enhanced ability to grow the business and in turn this will allow us to attract and retain the best people.

The move from a private company to a publicly listed one brings with it important governance requirements and far greater transparency in this regard. These requirements have been openly embraced and I note that they are consistent with the high standards that have formed the backbone of the Colorpak business ethic for a very long time. I think you will agree that our Annual Report for this year demonstrates our commitment to the principles of Corporate Governance.

Highlights for 2003/2004

Trading has been brisk throughout the year. Colorpak is a focussed packaging business and it is focussed in a growth segment of the market. Our major customers have experienced good trading conditions as the overall economy continues to power on and this has led to a steady rise in demand for our products. We expect these trading conditions to continue into 2004/2005.

Importantly, we have been able to convert these favourable trading conditions into a very positive Profit after Tax performance, which for the six month period reported to 30 June 2004 amounted to \$1.468 million. We are delighted that this achievement was 38% higher than the Prospectus Forecast for the initial six months. This is a very pleasing result and a broad indicator as to the absolute profitability achievable in the full year 2004/2005.

Long term banking arrangements were put in place before 30 June 2004 and interest commitments were substantially fixed. These arrangements have consolidated the debt under a single Trust Deed and are flexible enough to allow debt to be paid down from our strong cash flow stream.

Accounting Charges

It is worthy of note that the six month result to 30 June 2004 included a pre-tax charge of \$1.169 million for goodwill amortisation. A non-cash item but an important element in calculating Profit After Tax.

The currently promulgated International Accounting Standards to apply from 1 July 2005, and to be used for restatement of the Accounts for 2004/2005, will include a different treatment of goodwill. After 2005, should there be no impairment in the value of the business, then there will not be a need for a goodwill amortisation. For Colorpak, the application of this accounting standard should see reported profitability more closely aligned to the real cash flow generation of the business.

Earnings and Dividend

Now may I turn to the important consideration of dividend payout.

Earnings per share for the first six months trading was above the Prospectus forecast and amounted to 2.0c per share, or approximately 4.0c per share when annualised.

On this basis, we are well placed to make a maiden interim dividend payment of 1c per share, fully franked. We expect this dividend to be declared following the release to the market of our 6 month results to 31 December 2004, and be payable to shareholders in April 2005.

Customer Focus

Colorpak is a customer focussed organisation. We endeavour to anticipate customer needs, get the technology in advance and have our people highly attuned to a service delivery model. No-one exemplifies this more than our Managing Director, Mr Alex Commins.

He and his team are constantly on the look-out for how to create shareholder value from outstanding customer service.

Geoff Willis

CEO's ADDRESS

AGM – COLORPAK LIMITED : 22ND OCTOBER 2004

Ladies & Gentlemen

INTRODUCTION

It gives me great pleasure to present to you today. In the next few minutes I'd like to take you through what we do, where we sit in the industry, the market segments in which we operate, Colorpak's financial performance to date, and the outlook for the year ahead

The key independent study of the folding carton industry is conducted by BIS Shrapnel on an annual basis. This study ranks each industry participant as to their performance and I am very delighted to inform you that for the 5th consecutive year, Colorpak has been ranked as No. 1 by reputation in the folding carton industry. The key measures that the customers assess us on, in order of importance to them, are:

1. Reliable Delivery
2. Competitive price / value for money
3. Ability to respond to customer needs
4. Handling of complaints
5. Consistent quality and machineability

These are the factors which drive our clients decision making on suppliers and these are the factors which also drive Colorpak on a day to day basis.

We are obviously very pleased with the result for last year particularly as the considerable administration associated with listing did not detract from our customer satisfaction.

Since the listing on April 15th at \$0.50, Colorpak's share price has fluctuated with the broader market and I am pleased to record that the current price is above listing price and gives Colorpak a market cap of around \$42 million.

BUSINESS PROCESSES AND ACHIEVEMENTS

As we are a newly listed company, I thought it would be of interest to explain exactly what we do to provide an understanding of the processes involved.

Our process begins with a structural design, where we either design a box from scratch, or modify an existing design. The structural design takes place using international CAD Software. Subsequent to the structural design being finalized, the client approves the shape, and we then send it electronically to their graphic artist who creates the graphics. Once complete, the design of the box is either e-mailed or sent to Colorpak's Pre-Press department on disc, where digital proofs are prepared and signed-off by the customer.

Colorpak is very advanced at this point, having been the first supplier in the industry, some 3 years ago, to install CTP (computer to plate) technology. Since then, only one of our competitors has followed, and unlike us they do not have it as part of their in-house operations. We consider this to be a very strong competitive advantage.

Once printing plates are made on our CTP device, we print the job. After printing, we do any embellishments that might be required. These can include gold foil stamping and embossing, which is carried out at our in-house, Foilmasters Division – which produces hot foil stamping and embossing not only for Colorpak, but also as a trade supplier. Other embellishments might include security source tags, window facing or laminating.

Once the embellishment is complete, it comes back to the factory for cutting and gluing, and the final product is shipped out flat in corrugated shippers to our clients' premises. Colorpak has its own transport for the Melbourne and Sydney metropolitan areas, and for interstate, we use contracted transport providers.

Colorpak's strategy has been to focus on the higher value-added segment of the market. We specifically concentrate on the pharmaceutical/healthcare markets which require very robust systems. The pharmaceutical industry also demands a very high degree of regulatory compliance, and those same disciplines are super-imposed onto their supplier base. Colorpak embraced those disciplines many years ago and found that once we had a reputation in that industry, it was a great platform for future growth.

Colorpak's sales, broken down by industry segment, shows some 61% of turnover is gained directly from the pharmaceutical and healthcare sectors with food representing 16%, and confectionery and cosmetics at 10%. The balance is in a myriad of other consumer non-durable products.

Colorpak has a diverse range of clients. The value added and quality that we provide enables us to do business with a number of blue chip national and international clients, the likes of Sigma, Astra Zeneca, Bayer and CSL in the pharmaceutical industry, and L'Oreal, Cussons, Huhtamaki, Gillette, Nestle and Patties (including Four 'N Twenty) in the premium branded products.

Many of the relationships that Colorpak has developed over the years are very long term, in fact 35% of our turnover comes from customers who have been with us for longer than 5 years, and three of our 10 largest customers have been with us for over 15 years.

FINANCIAL PERFORMANCE

Most shareholders would be aware by now that we exceeded our profit forecast for the first 6 months of operation by 38% - we also remain on target to achieve our 2005 profit forecast, and in terms of our cash management, we are very pleased to say that at 30 June 2004, we were \$836k ahead of forecast in terms of cash generated from our operating activities.

I am also pleased to report, that since the company was listed in April, we have been able to secure a number of new customers, in the technology, multimedia and food sectors. In terms of pipeline prospects, there is plenty of activity, in particular, some good prospects in the pharmaceutical and food industries at this time.

The outlook then for 2005 is that the folding carton industry remains competitive. The major players remain the same.

Colorpak continues to strive to grow its market share, and whilst the industry is competitive, we have found over many years, that consistent performance augers well for the retention of existing customers. Our long standing, solid reputation makes it a lot easier when soliciting new business.

Our direction remains to focus on strong customer relationships and build even stronger ones with our existing client base and indeed new customers when we find them. Our aim continues to be to deliver excellence in our products and service.

We will continue to grow and develop our relationships with our GPA and Copapharm global partners to ensure that we remain at the leading edge of emerging trends and developments in technology and business...particularly out of Europe and the US.

We are researching complimentary technologies to extend our service and product offerings to our client base, particularly in the pharmaceutical area.

We are in the process of evaluating a number of small projects that will enable us to bring in-house activities which we currently outsource and which would improve workflows in our production process, leading to improved productivity and competitive advantage.

We are planning to move our Sydney manufacturing site to a brand new purpose built facility in December 2005. This exciting project will see Colorpaks Sydney division operating with significantly improved workflows, increased levels of security, and enhanced features for Good Manufacturing Practice.

We continue with our prudent financial management approach. With a reasonable amount of gearing on our balance sheet, our aim is to retire debt as quickly as possible, whilst still maintaining investment at appropriate levels and providing returns to shareholders.

We remain on the lookout for earnings positive acquisition opportunities which would bolster our market share and broaden our product offerings.

We strive to grow our presence in the pharmaceutical sector and provide them with a fuller service and value added offering than they have now.

And last but not least, we continue to aim to build a stronger Colorpak and deliver value to our shareholders.

Ladies and Gentlemen, thank you for your attention.

Alex Commins